

ACTION SCT-00

RELEASED IN FULL

INFO LOG-00 NP-00 AIT-03 ACQ-00 CIAE-00 DODE-00 SRPP-00
DS-00 EAP-00 EB-00 UTED-00 FOE-00 VC-00 TEDE-00
INR-00 L-00 VCE-00 AC-00 NSAE-00 NSCE-00 OMB-00
PA-00 PM-00 PRS-00 ACE-00 P-00 SP-00 SS-00
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FM AMEMBASSY JAKARTA
TO AMEMBASSY SINGAPORE IMMEDIATE
SECSTATE WASHDC IMMEDIATE 5149
INFO ASEAN COLLECTIVE

UNCLAS JAKARTA 001608

SENSITIVE

E.O. 12958: N/A

TAGS: EFIN, ETTC, MARR, PGOV, PREL, ID

SUBJECT: BRIEFING PAPER ON INDONESIA FOR COM ROUNDTABLE
WITH DHS SECRETARY RIDGE

REF: SINGAPORE 00430

1. (U) Text of Embassy Jakarta's Background Paper on Indonesia for COM Roundtable with DHS Secretary Ridge follows in paragraph 2. Background paper was also e-mailed to Embassy Singapore and EAP/PMBS.

2. (U) Begin Text:

Bilateral Cooperation and Domestic Political Priorities

(SBU) The President's October 2003 visit to Bali and the Attorney General's participation in the February Bali Ministerial Meeting on Counter Terrorism fostered a better understanding of our counter terrorism policies and encouraged more cooperative bilateral relations. The Megawati Administration has made progress in the fight against terror since the October 2002 Bali bombing, capturing over 110 suspected terrorists, passing a new anti-terror law and working with us to create a new anti-terror police unit. The Indonesian government continues to press for access to top terror suspect Hambali, now in U.S. custody. Indonesia has begun to enter an eight-month election marathon in which

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145 million voters will elect a new president -- for the first time by direct popular vote -- and national, regional, and local assemblies. Legislative elections occur on April 5; the first round in the presidential contest on July 5; and if no candidate receives a majority, we see a run-off vote September 20. President Megawati and other top officials will find it tough to keep focused on the CT effort as they begin to campaign.

Movement of Goods, People, and Money

(SBU) Whether at seaports, airports, or land borders, Indonesian authorities lack the resources to control the movement of goods, people, and money across borders. Indonesia, the world's largest archipelagic nation, faces serious maritime security issues, these include piracy, illegal logging, illegal fishing, smuggling, and trafficking in persons. Over 50,000 ships transit the Straits of Malacca annually, and of the 344 piracy attacks reported worldwide last year, 83 happened in Indonesian waters. Although Indonesia works with Singapore and Malaysia to patrol the Straits of Malacca, discord among the nine GOI agencies responsible for maritime security undermines the effectiveness of that effort. Indonesia probably will not meet the July 1 deadline to implement the IMO's International Shipping and Port Security (ISPS) Code.

(SBU) A U.S. Coast Guard assessment team recommended in January that Indonesia improve cooperation and communication among agencies and neighboring countries to tackle maritime security issues. Department of Defense-led interagency groups have visited Indonesia to develop proposals to help Indonesia tackle these issues, particularly narcotics trafficking.

(SBU) A lack of coordination across various agencies and insufficient capacity to sustain training provide Indonesia with weak aviation security, particularly at its smaller airports. While Indonesian carriers do not fly directly to the U.S., Continental/Micronesia Airlines flies twice a week from Bali to Hawaii via Guam. TAS officials visit regularly to provide technical assistance; our police training programs incorporate aviation security elements.

(SBU) The U.S. and Australia helped raise the GOI's Anti-Money Laundering Law to international standards in 2003. With our help, Indonesia has set up a Financial Intelligence Unit. The GOI has yet effectively to address cross-border movements of money via couriers or place controls on informal remittance systems, which terrorists exploit. Political and

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Security Coordinating Minister Yudhoyono leads a Cabinet level coordination group, which might solve the problem but only over time. Indonesia remains on the Financial Action Task Force's (FATF) list of Non-Cooperating Countries and Territories (NCCT), but international financial countermeasures will not take effect as long as Indonesia continues to make progress. Indonesia has proven slow to carry out its obligations to freeze assets of terrorist individuals and entities listed by the United Nation's 1267 Sanctions Committee.

DHS Organizational and Consular Issues

(U) Consular issues play a major role in our bilateral relations. Indonesian Government, press and public remain sensitive to visa issues and react negatively to perceived discrimination against Indonesians. The Asian economic crisis has led to an increase in Indonesian overstays in the

U.S. The Embassy Consular Section processed about 41,000 Non-Immigrant Visa (NIV) cases and about 800 Immigrant Visa (IV) cases in FY 2003 with an NIV refusal rate of approximately 35 percent. Post interviews all NIV applicants except diplomats, high government officials, and young children. About 25 percent of NIV issuances require special security name checks. Consular officers work closely with DHS (legacy INS) colleagues in Singapore and Bangkok on security and immigration problems. The Embassy values the excellent cooperation it receives from both offices, particularly from the regional (ex-INS) attach in Singapore. Reorganization following the division of former INS responsibilities between CPB, ICE and CIS means that Jakarta consular officers will soon deal with Bangkok, rather than Singapore, on CBP and CIS issues.

(U) As required by US-VISIT, Post began, February 10, to collect fingerprints from all NIV applicants ages 14-80. We have seen no negative reaction, and, in fact, have gotten generally positive press coverage. Unlike NSEERs, perceived as singling out Indonesians, this program appears more acceptable as it applies worldwide. Because we cannot yet check the prints against a database in the U.S., taking them does not add significant time to the interview process; this could change once the system "goes live."

Public Diplomacy Strategy

(SBU) Our public diplomacy strategy seeks to explain as well as secure support and understanding for our homeland security

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efforts. The area that directly affects most Indonesians remains our visa policy. The Mission has sought to explain and clarify visa, biometric security, and other visa/DHS programs, and win understanding and support for our common fight against terrorism. The Mission makes maximum public affairs use of high-level visitors who can authoritatively articulate our interests and policy (the President, the Attorney General, Secretary Ridge, Admiral Fargo, S/CT Ambassador Black) to underscore common interests in the fight against terror, to highlight successes, and gain coverage of our CT assistance to Indonesia. We have explained through press tours, exchange visitor grants, and other programs, the context in which we formulate our security policy, and sought to foster greater understanding of the impact of 9/11 on U.S. policies.

End Text.

Boyce

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